## AMENDED IN ASSEMBLY APRIL 14, 2008

CALIFORNIA LEGISLATURE—2007—08 REGULAR SESSION

## ASSEMBLY BILL

No. 3005

# **Introduced by Assembly Member Jones**

February 22, 2008

An act to amend Section 66005 of, and to add Section 66005.1 to, the Government Code, and to add Section 50803.1 to the Health and Safety Code, relating to community development.

#### LEGISLATIVE COUNSEL'S DIGEST

AB 3005, as amended, Jones. Community development: emergency housing and assistance mitigation fees.

(1) Existing law establishes the Emergency Housing and Assistance Program, administered by the Department of Housing and Community Development, and establishes the Emergency Housing Assistance Fund, a continuously appropriated fund, for the purpose of awarding grants to eligible organizations in order to defray costs of specified eligible activities, including, among other things, capital development programs for emergency shelter and transitional housing for homeless persons.

This bill would require the department to distribute funds appropriated for the purpose of providing for capital development programs for emergency shelter and transitional housing for homeless persons as grants in the form of forgivable deferred loans subject to specified criteria.

### (2) The

The Mitigation Fee Act authorizes a local agency to charge a variety of fees, dedications, reservations, or other exactions in connection with the approval of a development project, as defined. Existing law provides that when a local agency imposes any fee or exaction as a condition of

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approval of a proposed development, as defined, or development project, those fees or exactions shall not exceed the estimated reasonable cost of providing the service or facility for which the fee or exaction is imposed.

This bill would—provide that, for purposes of charging fees proportionate to the costs of providing the service or facility for which the fee or exaction is imposed, and where there is a relationship between the services or facility need or demand and total residential unit size or occupancy, fees levied on residential development by a local agency shall be proportionate to the square footage of the units. The bill also would require a local agency, when assessing a transportation impact fee for a housing development, to establish the fee at a rate that reflects a reduction of automobile trip generation if the housing development meets specified criteria.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 66005 of the Government Code is 2 amended to read:
  - 66005. (a) When a local agency imposes any fee or exaction as a condition of approval of a proposed development, as defined by Section 65927, or development project, those fees or exactions shall not exceed the estimated reasonable cost of providing the service or facility for which the fee or exaction is imposed.
  - (b) For purposes of charging fees proportionate to the costs of providing the service or facility for which the fee or exaction is imposed, where there is a relationship between the services or facility need or demand and total residential unit size or occupancy, fees levied on residential development by a local agency shall allow payment of fees proportionate to the square footage of the units.
  - (c) This section does not apply to fees or monetary exactions expressly authorized to be imposed under Sections 66475.1 and 66477.
  - (d) It is the intent of the Legislature in adding subdivisions (a) and (c) to codify existing constitutional and decisional law with respect to the imposition of development fees and monetary exactions on developments by local agencies. This section is

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declaratory of existing law and shall not be construed or interpreted as creating new law or as modifying or changing existing law. SEC. 2.

SECTION 1. Section 66005.1 is added to the Government Code, to read:

- 66005.1. (a) When a local agency assesses a transportation impact fee for a housing development, the fee shall be established at a rate that reflects a reduction of reduced automobile trip generation if the housing development satisfies all of the following: associated with housing developments that satisfy all of the following characteristics, unless the local agency adopts findings after a public hearing that the housing development would not significantly reduce automobile trip generation even with those characteristics:
- (1) The housing development is located within one-half mile of a transit station and there is direct access between the housing development and the transit station along a barrier-free walkable pathway not exceeding one-half mile in length.
- (2) Convenience or retail uses, including a grocery store are located within one-half mile of the housing development.

(2)

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- (3) Parking spaces for the housing development do not exceed the following:
  - (A) For zero to two bedroom units, one onsite parking space.
  - (B) For three or more bedroom units, two onsite parking spaces.
- (3) There is direct access between the housing development and the transit station along a barrier-free walkable pathway not exceeding one-half mile in length.
- (4) Convenience or retail uses, including a grocery store, are located within one-half mile of the housing development.
- (b) As used in this section, "housing development" means a development project with common ownership and financing consisting of residential use or mixed use where not less than 50 percent of the project space is for residence use.

<del>(b)</del>

(c) For purposes of this section, "transit station" means a rail or light-rail station, ferry terminal, bus hub, or bus transfer station, as designated by the local transit agency or regional transportation planning agency. Transit station includes planned transit stations otherwise meeting this definition whose construction is

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programmed to be completed prior to the scheduled completion and occupancy of the housing development.

- SEC. 3. Section 50803.1 is added to the Health and Safety Code, to read:
- 50803.1. Notwithstanding any other provision of this chapter, the department shall distribute funds appropriated for purposes of the activities specified in paragraph (2) of subdivision (a) of Section 50803 as grants in the form of forgivable deferred loans subject to all of the following:
- (a) Funding shall be made available to each project as a loan with a term of five years for rehabilitation, seven years for substantial rehabilitation, or 10 years for acquisition and rehabilitation or new construction. Each deferred loan shall be secured by a deed of trust and promissory note. Repayment of the loan shall be deferred as long as the project is used as an emergency shelter or transitional housing. Upon completion of the specified year term, the loan shall be forgiven. If, however, a transfer or conveyance of the project property occurs prior to that time and results in the property no longer being used as an emergency shelter or transitional housing, the department shall terminate the grant and require the repayment of the deferred loan in full.
- (b) Applications for funding shall be made pursuant to department-issued statewide "Notices of Funding Availability," with no additional regulations required.
- (c) The department shall set forth the criteria for evaluating applications in the "Notices of Availability" and shall make deferred loans based on those applications that best meet the criteria.
- (d) The department shall specify in the "Notices of Availability" both maximum and minimum grant amounts that may be varied for urban and nonurban counties.
- (e) Contracts for projects that have not begun construction within the initial 12-month period shall be terminated and funds reallocated. The department, however, may extend this period by a period to not exceed 12 months.